

0965 California Industrial Development Financing Advisory Commission

The California Industrial Development Financing Advisory Commission's (CIDFAC) creates employment opportunities and supports local economic development. CIDFAC meets this goal by approving local entities' issuance of Industrial Development Bonds (IDBs). The IDBs provide manufacturers with a low-cost financing option to build or expand their operations. CIDFAC independently reviews IDB applications to ensure compliance with federal and state statutes and approves the sale of IDBs by local authorities. Additionally, CIDFAC provides technical assistance to local issuers of IDBs, including cities, counties, industrial development authorities, redevelopment agencies, and joint powers authorities.

The State Treasurer serves as chairperson of the CIDFAC. The other members are the Director of the Department of Finance, the State Controller, the Secretary of the Business Transportation Housing Agency, and the Commissioner of the Department of Corporations.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
10 California Industrial Development Financing Advisory Commission	0.5	1.0	1.0	\$98	\$335	\$331
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	0.5	1.0	1.0	\$98	\$335	\$331
FUNDING				2006-07*	2007-08*	2008-09*
0215 Industrial Development Fund				\$53	\$260	\$256
0995 Reimbursements				45	75	75
TOTALS, EXPENDITURES, ALL FUNDS				\$98	\$335	\$331

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code Sections 91500 to 91574, Insurance Code Section 1192.

DETAILED BUDGET ADJUSTMENTS

Baseline Adjustment Descriptions	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Price Increase for CIDFAC	\$-	\$-	-	\$-	\$4	-
• Other Baseline Adjustments	-	-	-	-	-8	-
Totals, Baseline Adjustments	\$-	\$-	-	\$-	-\$4	-
TOTALS, BUDGET ADJUSTMENTS	\$-	\$-	-	\$-	-\$4	-

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 - CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION

The core program area is the Industrial Development Bond (IDB) Program, under which CIDFAC, as required by state law, serves as the mandatory approval agency for local IDB issuers. Once potential borrowers (manufacturers and processing companies) apply through their local government agency for low cost tax-exempt financing, CIDFAC carefully reviews the public benefits generated by the proposed project, particularly those benefits associated with job creation, and determines whether these benefits will significantly outweigh any detrimental public effects. Eligible capital expenditures include the acquisition of land, building construction, building renovation, and the purchase of machinery and equipment. Bond proceeds also can be used to cover the cost of architects, engineers, attorneys, permits, and the cost of bond issuance. The local issuer can be a city, county, economic development authority, redevelopment agency, or a joint power authority.

Federal law authorizes the issuance of IDBs in local Empowerment Zone Bonds (EZ Bonds). CIDFAC's EZ Bond Program augments the benefits of the IDB program to further support economic development in California's most distressed communities. The EZ Bond Program expands the eligibility of borrowers to manufacturers, retailers, and any service that operates in an Empowerment Zone. The EZ Bond program removes the maximum dollar restriction (applicable to IDBs) on the size of the issuance. There are five federally designated Empowerment Zones in California: Los Angeles, Santa Ana, San Diego, Fresno and an unincorporated section of Riverside County. These communities received this federal designation based on their high unemployment and high poverty rates.

* Dollars in thousands, except in Salary Range.

0965 California Industrial Development Financing Advisory Commission - Continued**DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)**

		<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
PROGRAM REQUIREMENTS				
10	CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION			
State Operations:				
0215	Industrial Development Fund	\$53	\$260	\$256
0995	Reimbursements	45	75	75
Totals, State Operations		\$98	\$335	\$331
TOTALS, EXPENDITURES				
State Operations		98	335	331
Totals, Expenditures		\$98	\$335	\$331

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	0.5	1.0	1.0	\$54	\$107	\$107
Net Totals, Salaries and Wages	0.5	1.0	1.0	\$54	\$107	\$107
Staff Benefits	-	-	-	15	24	44
Totals, Personal Services	0.5	1.0	1.0	\$69	\$131	\$151
OPERATING EXPENSES AND EQUIPMENT						
				\$29	\$204	\$180
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$98	\$335	\$331

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
0215 Industrial Development Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$482	\$260	\$256
Totals Available	\$482	\$260	\$256
Unexpended balance, estimated savings	-429	-	-
TOTALS, EXPENDITURES	\$53	\$260	\$256
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$45	\$75	\$75
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$98	\$335	\$331

FUND CONDITION STATEMENTS

	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
0215 Industrial Development Fund ⁵			
BEGINNING BALANCE	\$19	\$146	\$76
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125600 Other Regulatory Fees	178	187	196
150300 Income From Surplus Money Investments	2	3	3
Total Revenues, Transfers, and Other Adjustments	\$180	\$190	\$199
Total Resources	\$199	\$336	\$275

* Dollars in thousands, except in Salary Range.

0965 California Industrial Development Financing Advisory Commission - Continued

	2006-07*	2007-08*	2008-09*
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0965 California Industrial Development Financing Advisory Commission (State Operations)	53	260	256
Total Expenditures and Expenditure Adjustments	<u>\$53</u>	<u>\$260</u>	<u>\$256</u>
FUND BALANCE			
Reserve for economic uncertainties	146	76	19

* Dollars in thousands, except in Salary Range.